

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY TOKYO

UNCLAS STATE 103226

E.O. 11652: N/A

TAGS: APUB, JA

SUBJECT: PRESS RELEASE ON EXIMBANK CREDIT TO KAWASAKI STEEL CORP.

FOR YOUR INFORMATION ONLY, FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE DIRECT CREDIT OF DOLS 1,275, 000 TO KAWASAKI STEEL CORPORATION. RELEASE IS SCHEDULED FOR ANNOUNCEMENT HERE IN WASHINGTON, D.C. FOR A. M. PAPERS, THURSDAY, MAY 15, 1975.

QUOTE: EXIMBANK HELPS FINANCE DOLS 4,250,000 SALE OF US SHIP LOADER WITH CREDIT OF DOLS 1,275,000 TO JAPANESE STEEL COMPANY

THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED STATES HAS AUTHORIZED A DIRECT CREDIT OF DOLS 1,275,000 TO FINANCE 30 PERCENT OF THE TOTAL US COSTS OF DOLS 4,250,000 FOR THE COMPONENTS FOR A SHIP UNLOADER TO BE PURCHASED BY KAWASAKI STEEL CORPORATION OF TOKYO, JAPAN, ACCORDING TO EXIMBANK'S CHAIRMAN WILLIAM J. CASEY. A CREDIT OF DOLS 2,550,000 FROM PRIVATE SOURCES
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NOT YET DESIGNATED WILL FINANCE 60 PERCENT OF THE US COSTS AND

KAWASKI STEEL CORPORATION WILL MAKE CASH PAYMENT OF THE BALANCE OF THE US COSTS OF 10 PERCENT OR DOLS 425,000.

ORIGINALLY PART OF THE KAWASAKI HEAVY INDUSTRIES WHICH HAS BEEN IN THE STEEL BUSINESS SINCE 1906, KAWASAI STEEL CORPORATION WAS ESTABLISHED IN 1950, AND IS NOW THE THIRD LARGEST INTEGRATED STEEL-MAKER IN JAPAN.

THE PROJECT CONSISTS OF THE DESIGN, CONSTRUCTION AND ASSEMBLY OF A CONTINUOUS SHIP UNLOADER TO BE LOCATED IN CHIBA, ABOUT 30 MILES EAST OF TOKYO. DRAVO CORPORATION, PITTSBURGH, PENNSYLVANIA, WILL PROVIDE ENGINEERING, DESIGN AND SUPERVISION OF ERECTION AND A QUANTITY OF COMPONENTS FOR THE CONTINUOUS SHIP UNLOADER, CAPABLE OF UNLOADING SOME 2,300 METRIC TONS PER HOUR OF SINTERED IRON ORE FROM SHIPS. IT IS EXPECTED THAT DELIVERY OF ALL US EQUIPMENT WILL BE COMPLETED BY EARLY 1977.

THE LOANS ARE TO BE REPAID IN 10 SEMIANNUAL INSTALLMENTS BEGINNING MAY 5, 1978. INTEREST ON EXIMBANK'S DIRECT CREDIT OF DOLS 1,275,000 WILL BE AT THE RATE OF 8 PERCENT PER ANNUM, WHICH WHEN BLENDED WITH THE PROTION OF THE CREDIT FROM PRIVATE SOURCES RESULTS IN AN ESTIMATED INTEREST COST TO THE BORROWER, BASED ON CURRENT RATES OF ABOUT 9 PERCENT TO 9.25 PERCENT PER ANNUM. REPAYMENT OF EXIMBANK'S LOAN IS TO BE GUARANTEED BY DAI-ICHI KANGYO BANK OF TOKYO. UNQUOTE

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